Cambodia Investment Climate

June 2000

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Introduction

Cambodia is a developing country with a market economy. Since Cambodia re-established a constitutional monarchy in 1993, the economy has grown rapidly, except for a period between mid-1997 and late 1998, when Cambodia suffered political instability and the spill over effects from the Asian financial crisis. The economy began to rebound in late 1998, with the establishment of the current coalition government, but foreign investment in most sectors has lagged, and Cambodia must depend heavily on foreign assistance to meet its investment needs. Since early 1999, the Cambodian government has intensified its economic reform program, a process which the international financial institutions and donors participate in and monitor closely.

A.1. Openness to Foreign Investment

Cambodia's 1994 law on investment establishes an open and liberal foreign investment regime, and the council for the development of Cambodia (CDC), Cambodia's foreign investment approval body, administers an attractive package of investment incentives (discussed in detail in section A.5.). All sectors of the economy are open to foreign investment, there are no performance requirements, and no sectors in which foreign investors are denied national treatment. An August 1999 sub-decree provides some restrictions on foreign investment. Publishing, printing, radio and TV activities are limited to 49% foreign equity and there must be an unspecified amount of local equity in gemstone exploitation, brick making, rice mills, wood and stone carving manufacture and silk weaving. While other sectors are eligible for 100% foreign investment, investment incentives vary according to the nature of the investment project (see section A.5.).

Article 44 of the constitution provides that only Khmer legal entities and citizens of Khmer nationality have the right to own land. Aside from this, there is little or no discrimination against foreign investors either at the time of initial investment or after investment. Some foreign businesses have reported, however, that they are at a disadvantage vis-a-vis Cambodian or other foreign rivals which engage in acts of corruption or tax evasion, or take advantage of Cambodia's poorly enforced or non-existent labor, work-place safety, product quality or environmental standards to cut costs.

The privatization of state enterprises is not carried out in a transparent manner. In several instances, the public has learned that enterprises were for sale only after the government has announced a sale to a particular buyer.

Investor rights provided for in the law on investment include:

- investors shall be treated in a non-discriminatory manner, except for land ownership as provided for in the constitution of the Kingdom of Cambodia.

- the Royal Government of Cambodia shall not undertake a nationalization policy which adversely affects private properties of investors.

- the Royal Government of Cambodia shall not impose price controls on the products or services of an investor who has received prior approval from the Government.

- the Royal Government of Cambodia, in accordance with relevant laws and regulations, shall permit investors to purchase foreign currencies through the banking system and to remit abroad those currencies as payments for imports, repayments on loans, payments of royalties and management fees, profit remittances and repatriation of capital.

A.2. Conversion and Transfer Policies

There are no restrictions on the conversion of capital. As noted in section A.1, the Law on Investment guarantees investors the right to purchase foreign currencies through the banking system and to remit foreign currencies as payments for imports, repayments on loans, payments of royalties and management fees, profit remittances and repatriation of capital. The Foreign Exchange Law does allow the National Bank of Cambodia (the central bank) to implement exchange controls in the event of a crisis, and the law does not define what would constitute a crisis. The U.S. Embassy is not aware of any cases in which investors have encountered obstacles in converting local to foreign currency, or sending capital out of the country.

A.3. Expropriation and Compensation

Article 44 of the Cambodian constitution (which restricts land ownership to Cambodian nationals) also states that "the (state's) right to confiscate properties from any person shall be exercised only in the public interest as provided for under the law and shall require fair and just compensation in advance." Article 58 states that "the control and use of state properties shall be determined by law." Under the existing land law, all land is considered state property. As noted in section A.1., The Law on Investment provides that "the Royal Government of Cambodia shall not undertake a nationalization policy which adversely affects private properties of investors."

The Cambodian government has taken no expropriatory actions in the recent past. There are currently no investment disputes involving the expropriation of property belonging to U.S. citizens.

A.4. Dispute Settlement

Cambodia's legal system is a mosaic of pre-1975 statutes modelled on French law, communist-era legislation dating from 1979-1991, statutes put in place by the UN Transitional Authority in Cambodia (UNTAC) during the period 1991-93, and legislation passed by the Royal Government of Cambodia since 1993. The legal system contains many gaps in key areas such as bankruptcy, commercial arbitration, intellectual property rights, and others.

The Cambodian legal system has also traditionally favored mediation over adversarial conflict and adjudication. Thus compromise solutions are the norm, even in cases where the law clearly favors one party in a dispute. Although plans to create a commercial tribunal and an arbitration and mediation body are in the works, courts are currently the only judicial forum in which to settle commercial disputes. Certain government ministries will act as a mediator in some cases, but their legal authority is limited.

Cambodia's court system is weak. Judges, who have been trained either for a short period in Cambodia or under other systems of law, have little access to published Cambodian law. Judges are inexperienced and courts are understaffed. The local and foreign business community have reported frequent problems with inconsistent judicial rulings as well as outright corruption. Cambodian judges are paid minimal salaries (approximately $20 per month) which are not adequate to sustain a livelihood. Corruption is a far greater problem in Cambodian courts than government interference in judicial decisions.

There are currently no laws requiring a Cambodian court to enforce either a foreign judgement or arbitral award. The Cambodian government has acknowledged the desirability of binding international arbitration, and hopes to include implementing provisions for the New York Convention on the Recognition and Enforcement of Foreign Arbitration Awards, which Cambodia signed in 1960, in the commercial arbitration code. Meanwhile, the government has prepared interim legislation to bring the New York Convention into force, but has not yet submitted it to the National Assembly. Regardless of the legal basis for implementing arbitration awards, foreign or domestic, the ability Cambodian courts to enforce even their own decrees remains limited.

A.5. Performance Requirements/Incentives

There are no performance requirements imposed on foreign investors in Cambodia.

The law on investment also provides for a generous set of investment incentives. Investment incentives are administered by the Council for the Development of Cambodia (CDC), which was created as a one-stop shop to facilitate foreign investment.

The law on investment and subsequent decrees create the following incentives:

- a corporate tax rate of 9 percent, significantly lower than the standard corporate profit tax rate of 20 percent for business enterprises not receiving CDC investment incentives. (Natural resources companies, including timber and oil companies and companies mining gold and precious stones, are subject to a 30 percent corporate profit tax rate.)

- an exemption from the corporate profit tax of up to eight years, depending on the type and location of project.

- a 5-year loss carry-forward.

- tax-free distribution of dividends, profits and proceeds of investment.

- tax-free repatriation of profits.

- 100 percent exemption from import duties on construction materials, machinery and equipment, spare parts, raw materials and semi-finished products, and packaging materials for most projects for the construction period and first year of operation. The period of exemption from customs duties for the above items can be extended for export-oriented projects with a minimum of 80 percent of production set aside for export and projects located in a special development zone (note: the Cambodian government has not yet specified the special development zones).

- employment of expatriates where qualified Cambodians are unavailable.

The list of sectors to which investment incentives apply, without regard to the amount of investment capital, includes: crop production; livestock production; fisheries; manufacture of transportation equipment; highway and street construction; exploitation of minerals, ore, coal, oil, and natural gas; production of consumption goods; hotel construction (three stars or higher); medical and education facilities meeting international standards; vocational training centers; physical infrastructure to support the tourism and cultural sectors; and production and exploitation activities to protect the environment.

Investment incentives are available for manufacturing projects in the following sectors when investment capital exceeds $500,000: rubber and miscellaneous plastics; leather and other products; electrical and electronic equipment; and manufacturing and processing of food and related products. A minimum investment of $1,000,000 applies when seeking incentives in the following three sectors: apparel and other textiles; furniture and fixtures; chemicals and allied products; textile mills; paper and allied products; fabricated metal products; and production of machinery and industrial equipment.

The following sectors are not eligible for investment incentives, although investment is permitted: all types of trading activities; all forms of transportation services; duty-free shops; restaurants, karaoke, and night clubs; business centers; press related activities and media networks; retail and wholesale operations; and professional services. According to Cambodia's 1995 law on The Establishment of the Bar, foreign business firms which wish to offer legal services in Cambodia must affiliate with a Cambodian attorney.

Investors who wish to take advantage of investment incentives must submit an application to the Cambodian Investment Board (CIB), the division of the CDC charged with reviewing investment applications. Investors who do not wish to apply for investment incentives may establish their investment simply by registering corporate documents with the Ministry of Commerce. Once the investor's application is complete and an application fee paid, the CDC is required by executive order to issue a decision on an investor's application within 28 days, although this time limit has often been exceeded. (In practice, investors report that licensing requires involves significant red tape and visits to multiple government agencies, despite CDC's designation as a one-stop shop.)

Once the CDCc approves the project in principle, the investor must pay a second application fee, deposit a performance guarantee of between 1.5 and 2 percent of the total investment capital at the National Bank of Cambodia, and register the corporate entity at the Ministry of Commerce. Once these steps have been taken, the investor will receive a formal investment license from the CDC requiring the investment to proceed within six months. Once the project is 30 percent completed, the investor is eligible for a refund of the performance guarantee.

Following recommendations from international financial institutions, the Cambodian government has scaled back its investment incentives, which the World Bank has called "critical impediments to revenue mobilization." The government committed to review the law on investment before 2001, and further streamlining of incentives is likely.

Cambodia is not a member of the WTO, and not subject to TRIMS notification requirements, but will provide relevant information on its investment regime to the WTO as it pursues accession.

A.6. Right to Private Ownership and Establishment

There are no limits on the rights of foreign and domestic entities to establish and own business enterprises, or to compete with public enterprises. However, the constitution provides that only Khmer citizens or legal entities have the right to own land. Section A.1 above describes several investment sectors in which certain levels of local equity are required. Section A.5. describes how investment incentives vary depending on the nature of the investment project.

A.7. Protection of Property Rights

Chattel and real property: the 1992 Land Law provides a framework for real property security and a system for recording titles and ownership. In practice, the titling system is not fully functional anywhere in Cambodia, and the majority of property owners have no documentation of any kind to prove their ownership. Even where title records exist, recognition of legal title to land, has been a problem in some court cases where judges have sought additional proof of ownership. Mortgages exist in Cambodia, but are rare, and judicial enforcement is uncertain.

Intellectual property rights (IPR): Cambodia is not a WTO member, and its rudimentary IPR regime falls far short of WTO standards. The 1996 U.S. - Cambodia Trade Agreement contained a broad range of IPR protections, but given Cambodia's very limited experience with IPR, the agreement granted phase-in periods for the Cambodian government to fully implement these provisions, including the enactment of new legislation. Cambodia is not in compliance with these terms of the trade agreement.

IPR protection is based on several brief articles contained in the 1992 UNTAC Criminal Code. Cambodia became a WIPO member in 1995, acceded to the Paris Convention in September 1998, but has indicated its intention to join the Bern and UPOV Conventions, and the Patent Cooperation Treaty. The Cambodian government is making progress on IPR legislation. The Cambodian government has drafted trademark, copyright and patent laws with assistance from WIPO. The status of these laws follows:

Trademarks: Cambodia has drafted a trademark law which complies with obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The draft outlines specific penalties for trademark violations, including a jail sentences and fines for counterfeiting registered marks, and contains detailed procedures for registering trademarks. In the area of border measures, the 1999 draft law also adds new provisions allowing judicial review of the decision of customs authorities.

With no trademark law in force in Cambodia, owners of trademarks are unable to seek relief from infringement in court. The relatively few complaints that have been received have been directed to the Ministry of Commerce, which has responsibility for registering trademarks but does not have clear legal authority to conduct enforcement activities. Still, the Ministry has taken effective action against trademark infringement in several cases since 1998. In at least six cases, the ministry has ordered local firms to stop using well-known U.S. marks, including Pizza Hut, Nike, Scotties, and Pringles. Since 1991, the Ministry of Commerce has maintained an effective trademark registration system, registering more than 10,000 trademarks (over 2,900 for U.S. companies) under the terms of a 1991 sub-decree.

Copyrights: responsibility for copyrights is split between the Ministry of Culture (phonograms, CDs, and other recordings) and the Ministry of Information (printed materials). The Ministry of Culture prepared a draft copyright law in 1998. The draft is now under review in Cambodia's council of jurists, a prerequisite step for consideration by the cabinet. The Ministry has not sought comments on the law from the U.S. or private sector. With no copyright law or regulations in place, there accordingly has been no enforcement of the copyright provisions of the trade agreement. While Cambodia is not a major center for the production and export of pirated CDs, videos, and other copyrighted materials, these products are widely available in Cambodian markets. Pirated computer programs are widely used throughout the country. Imported pirated products are also available in Cambodian markets.

Patents and industrial designs: Cambodia has a very small industrial base, and infringement on patents and industrial designs is not yet commercially significant. With assistance from WIPO, the Ministry of Industry (MOI) prepared a draft of a comprehensive law on the protection of patents and industrial designs in April 1999. The government has not yet submitted the draft to the Council of Ministers or National Assembly. The MOI has also prepared a draft sub-decree on granting patents and registering industrial designs which it intends to issue after the passage of the patent and industrial design law.

Encrypted satellite signals, semiconductor layout designs, and trade secrets: Cambodia has not yet made significant progress toward enacting required legislation in these areas, although it obtained model law on encrypted satellite signals and semiconductor layout designs from WIPO in March 1999.

IPR enforcement: with the exception of the trademark enforcement actions described above, the Cambodian government has not taken significant actions to enforce the IPR obligations contained in the U.S. - Cambodia Trade Agreement. (In February 2000, Phnom Penh police did arrest one individual on charges under the 1992 UNTAC criminal code allegedly importing and selling pirated Cambodian karaoke videos.) Once comprehensive IPR legislation is enacted, enforcing Cambodia's IPR obligations under the U.S. - Cambodia Trade Agreement will be a major challenge for the government and courts system.

A.8. Transparency of the Regulatory System

There is no pattern of discrimination against foreign investors in Cambodia through the regulatory regime. Numerous issues of transparency in the regulatory regime arise, however, from the lack of legislation and the weakness of key institutions. Investors often complain that decisions of Cambodian regulatory agencies are inconsistent, irrational, or corrupt.

The Cambodian government is still in the process of drafting laws and regulations that establish a framework for the market economy. Commercial laws will be based on the Anglo-Saxon model, so as to assure Cambodia's conformity with the laws of other ASEAN countries.

Cambodia currently has no anti-monopoly or anti-trust statutes.

The tax system is under revision but currently includes a profit tax (0-20%), a withholding tax (usually 15%), a salary (personal income) tax (5-20%), a minimum turnover tax (1%), a value added tax (10%), specific taxes on certain merchandise and duties (rates vary), as well as import and export duties (rates vary).

The Cambodian constitution, and the 1997 Labor Code provide for compliance with internationally recognized core labor standards, and allows the Ministry of Social Affairs, Labor, Vocational Training and Youth Rehabilitation to set health, safety and other conditions for the workplace. There are numerous gaps in the body of regulation necessary to bring the Labor Code into practice, however. (Section D of this report discusses the labor situation in more detail.)

The National Assembly passed a law and associated decree regulating pharmaceuticals in June 1996, giving administrative authority to the Ministry of Health. In May 2000, the National Assembly passed a law on quality of goods and services, comprising food safety, consumer protection and product liability. Food and product safety issues fall under the jurisdiction of the Cambodian standards authority, CAMCONTROL, which is under the Ministry of Commerce.

CAMCONTROL, the government's standards-setting arm, does not currently have a mechanism for industry participation in standards setting. There are currently no industry standards-setting organizations operating in Cambodia.

Cambodia’s banks and financial institutions fall under the supervision of the National Bank of Cambodia (NBC), which is improving its capacity to perform this role with assistance from the IMF. In November 1999, Cambodia passed a new law on banking and financial institutions. This law, and subsequent regulations issued by NBC supercede earlier legislation and regulations. Cambodia’s National Assembly is currently debating an insurance law, which would give the Ministry of Economy and Finance regulatory authority over the insurance industry.

A.9. Efficient Capital Markets and Portfolio Investment

Cambodia currently has no capital markets. There is no stock or bond market, no companies law and no means to purchase equity in a company except by agreement with the existing owners. Most companies are privately held, the exception being multinational firms.

The Cambodian government does not use regulation of capital markets to restrict foreign investment. Domestic financing is difficult to obtain at competitive interest rates for domestic and foreign-owned entities alike. There is currently no law addressing secured transactions or system for registering such secured interests. Most loans are secured by real property mortgages or deposits of cash or other liquid assets, as provided for in the existing contract law and land law.

Export/import financing is available from multi-national banks through a variety of credit instruments. The U.S. Overseas Private Investment Corporation (OPIC), the International Finance Corporation (IFC), and the Multi-lateral Investment Guarantee Agency (MIGA) offer both investment guarantees and loans in Cambodia. Eximbank does not operate in Cambodia.

Total assets of Cambodia's banking system at the end of 1999 were approximately 2,132 billion Riels ($554 million). Loans account for only about one third of the banking system's assets, and it is impossible to estimate the percentage of loans which are non-performing. Currently, some entities called banks appear not to engage in significant amounts of banking activity. Under the new Law on Banking and Financial Institutions, all of Cambodia's commercial banks must reapply for licenses from the NBC, and meet new, stricter capital and prudential requirements. Analysts expect a significant amount of shakeout and consolidation within the banking sector.

A.10. Political Violence

Political stability improved dramatically following the formation of the current coalition government in late 1998, and has brought an upturn in commercial activity, investor interest and tourist arrivals. Political violence occurred in Cambodia, however, following the July 1998 elections, and in 1997 during fighting between forces loyal to then-First Prime Minister Prince Norodom Ranariddh and then-Second Prime Minister Hun Sen.

Until the end of 1998 there was a diminishing but real threat of sporadic violence from remnant Khmer Rouge units in western parts of the country. There were large-scale defections of the Khmer Rouge in late 1998, and the Cambodian government arrested Ta Mok, the last remaining Khmer Rouge leader who had not defected, in early 1999.

There are no nascent insurrections in Cambodia. There have been no incidents involving politically motivated attacks against investment projects. Cambodia's relations with all of its neighbors are peaceful.

A.11. Corruption

Local and foreign business people have identified corruption, particularly within the judiciary, as the single biggest deterrent to investment in Cambodia. Public sector salaries range from $15-30 per month for working level officials, and less than $300 per month for high ranking officials. These wages are far below the level required to sustain a livelihood in Cambodia, and as a result, public employees are susceptible to corruption and conflicts of interest. Corrupt practices are widespread in Cambodia, and public officials make no effort to disguise their wealth.

Cambodian laws and regulations are not sufficient to address the problem of corruption. Laws dating from the UNTAC period (1991-93) against embezzlement, extortion and bribing public officials exist, but have never been enforced. After a draft national anti-corruption law failed to win national assembly approval in 1999, the Cambodian government undertook to revise the draft with cooperation from local and international NGOs, the World Bank, and bilateral donors. The draft applies only to acts of corruption within Cambodia, and includes provisions to establish an anti-corruption commission, declaration of assets and criminal penalties for payment or acceptance of bribes to or by public officials. Cambodia is not a signatory to the OECD Anti-Bribery Convention or any regional anti-corruption initiative. Cambodia is under increasing pressure from donors to address the issue of good governance in general, and corruption in particular.

In a draft action plan on good governance which the government presented to donors in may 2000, Cambodia indicated its intent to pass anti-corruption legislation by late 2001. The government also created an anti-corruption commission within the cabinet in late 1999, but the exact role of this body is not yet clear.

B. BILATERAL INVESTMENT AGREEMENTS

Cambodia has signed investment agreements with Malaysia, Thailand, France, Switzerland, South Korea, Germany, Singapore, the People's Republic of China, and the Netherlands. The agreements provide reciprocal national treatment to investors, excluding benefits deriving from membership in future customs unions or free trade areas and agreements relating to taxation. The agreements preclude expropriations except those which are undertaken for a lawful or public purpose, non-discriminatory, accompanied by prompt, adequate and effective compensation at the fair market value of the property prior to expropriation; guarantee repatriation of investments; and provide for settlement of investment disputes via arbitration.

C. OPIC and other Investment Insurance Programs

The Overseas Private Investment Corporation (OPIC) currently offers financing and political risk insurance for projects in Cambodia, although no U.S. investor has yet taken advantage of it. With most investment contracts written in U.S. dollars, there is little exchange risk. Even for Rile-denominated transactions, there is only one exchange rate, which is fairly stable.

- **point of contact:** Overseas Private Investment Corporation; contact person: Mr. Bruce Cameron, Business development officer; address: 1100 New York Avenue NW, Washington, DC 20527, USA; phone: 202-336-8745; fax: 202-408-5145; email: bcame@opic.gov .

Cambodia is a member of the Multilateral Investment Guarantee Agency.

- **point of contact:** Multilateral Investment Guarantee Agency (MIGA), 1818 H St. NW, Washington, DC 20433, USA, Tel: (001) 202-477-1234; fax: (001) 202-522-2630.

D. Labor

Cambodia has a labor force of approximately 6 million people, nearly 85 percent of whom are engaged in subsistence agriculture. Approximately 100,000 persons are employed in the fast-growing garment sector. Although the adult literacy rate is about 35 percent (lower for women than men), many adults and children enroll in supplementary educational programs, including English and computer training. Employers report that Cambodian workers are eager to learn and, when trained, are excellent, hardworking employees.

Given the severe disruption to the Cambodian education system and loss of skilled Cambodians to death and emigration during the 1975-79 Khmer Rouge period, and the period that followed, workers with higher education or specialized skills are few and in high demand. Many investors must bring in expatriate employees to fill skilled positions, and Cambodian immigration and investment regulations make this relatively simple.

Cambodia's 1997 labor code protects the right of association, protects the right to organize and bargain collectively, prohibits forced or compulsory labor, establishes 15 as the minimum allowable age for a salary position, and 18 as the minimum allowable age for anyone engaged in work which may be hazardous, unhealthy or unsafe. The statute also guarantees an 8-hour workday and 48-hour work week, provides for time-and-a-half overtime pay, with double overtime for night work or work on the employee's day off. The law gives the Ministry of Social Affairs, Labor, Vocational Training, and Youth Rehabilitation (MSALVY) a legal mandate to set minimum wages for each industry after consultation with the tripartite Labor Advisory Committee. It has not yet done so for any industry, but a minimum wage of $40 per month exists in the textile and garment industry, based on an agreement between the Garment Manufacturers Association and the Ministry of Commerce.

Cambodia does not currently have legislation governing worker health and safety, but there are various detailed ministerial regulations regarding payments in the event of on-the-job accidents. In labor disputes in which workers complain of poor or unhealthy conditions, MSALVY and the Ministry of Commerce have ordered the employer to take corrective measures.

Enforcement of many aspects of the labor code is poor, and the majority of labor disputes involve workers simply demanding conditions to which they are legally entitled. The U.S. Government, the ILO, and others are working closely with Cambodia to improve enforcement of the labor code, and workers' rights in general. The U.S.- Cambodia Bilateral Textile Agreement links Cambodian compliance with internationally recognized core labor standards with the level of textile quota the U.S. grants to Cambodia.

E. Foreign Trade Zones / Free Ports

There are no foreign trade zones or free ports operating in Cambodia at present, although some proposals have been reviewed by the Cambodian government. The law on investment provides for incentives to encourage investments in "special promotion zones." However, the legislation defining "special promotion zone" is not yet in place.

F. Foreign Investment Statistics

Total foreign direct investment (FDI) flows into Cambodia for the years 1995-1999 are presented in the table below. The Ministry of Economy and Finance (MEF)does not break down this data by country of origin or by economic sector.

Total annual FDI flows into Cambodia, in US$ millions. (source: MEF)

1995	1996	1997	1998	1999
151	240	150	120	160

Figures from the CDC for registered capital of approved projects as of the end of 1999, including domestic investment, and broken down by country of origin and economic sector, are provided below. These figures likely overstate investment, due to the number of projects which have not yet been, or may never be, fully implemented. In fact, the CDC is in the process of cancelling investments, which have never been implemented. In June 2000, CDC cancelled 51 investment projects dating back to 1994, totalling $219 million, and announced its intention to cancel another 68 projects worth $299 million. The tables below do not reflect these cancellations. The U.S. Embassy is also unable to reconcile a discrepancy in the CDC figures between the total by country of origin and the total by sector.

Total cumulative registered investment projects, by country of origin, August 1994 to December 31, 1999. (source: CDC)

Country	**US$ millions**	**pct.**
Malaysia	1,881	32.1
Cambodia	1,553	26.5
Taiwan	423	7.2
USA	413	7.0
P.R.China	258	4.4
Singapore	247	4.2
Hong Kong	232	3.9
R.O.Korea	201	3.4

France	193	3.3
Thailand	178	3.0
U.K.	79	1.3
Canada	62	1.1
Indonesia	48	.8
Australia	33	.6
Japan	16	.3
Other	48	.9
Total	**5,865**	

Total cumulative registered investment capital by sector, from August 1994 to December 31, 1999 (source: CDC).

Sector	US$ millions	No. of Projects
Industry	2,235	736
(of which)		
-- food processing	119	48
-- garment	319	370
-- petroleum	126	19
-- wood processing	472	39
Agriculture	231	62
Services	1,765	90
(of which)		
-- energy	149	10
-- telecom.	131	12
Tourism	1,972	55
Total	**6,203**	**943**

New investment projects in US$ millions, by country of origin, 1995-99 (source: CDC).

Country	1995	1996	1997	1998	1999
Malaysia	1,418	194	66	147	14
Cambodia	417	196	167	248	276
USA	110	5	86	0	20
Taiwan	14	164	44	144	55
Singapore	108	31	15	49	1

P.R.China	6	37	36	107	44
R.O.Korea	1	5	189	6	0
Hong Kong	13	21	72	91	32
France	187	3	1	1	1
Thailand	36	54	27	33	21
U.K.	23	39	6	0	6
Canada	39	3	11	6	2
Indonesia	1	14	1	6	.7
Australia	1	8	22	1	.03
Japan	.5	11	.3	1	2
Other	3	20	15	9	5.3
Total	**2,380**	**803**	**759**	**850**	**480**

New investment projects in US$ millions, by sector, 1995-99 (source: CDC).

Sector	1995	1996	1997	1998	1999
Industry	318	522	503	561	232
(of which)					
- food processing	57	21	0	8	12
- garment	36	47	6	122	80
- petroleum	26	67	32	1	1
- wood processing	5	203	47	164	14
Agriculture	18	94	61	50	6
Services	734	111	205	47	25
(of which)					
- energy	40	3	80	17	218
- telecom	6	33	53	0	8
Tourism	1,572	115	42	167	19
Total	**2,641**	**842**	**811**	**833**	**482**

The CDC has registered approximately $413 million in U.S. Investment since August 1994. Among the largest investors are Beacon Hill Associates with a 60 megawatt independent power production project; Caltex with a chain of service stations and a petroleum holding facility in Sihanoukville; Northbridge associates with an international school; and Shelby corporation with a glove manufacturing facility. There are U.S. investors in several of Cambodia’s garment factories, and U.S. firms have also sought concessions for oil and gas exploration in the Gulf of Thailand.

Major non-U.S. foreign investors include Asia Pacific Breweries (Singapore), Raffles International (Singapore), Thakral Cambodia Industries (Singapore), Petronas Cambodia

(Malaysia), Chamroeun Pokphand (Thailand), and YTL (Malaysia.)

Statistics on Cambodian investment overseas are not available.

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